

**CHAPTER NO. 212****HOUSE BILL NO. 1800****By Representatives Rinks, Newton, Tidwell, Montgomery****Substituted for: Senate Bill No. 906****By Senator Miller**

AN ACT to enact the "Tennessee River Resort District Act" and to amend Tennessee Code Annotated, Title 4, Chapter 3, Part 7; Title 57 and Title 67, Chapter 6.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. This act shall be known and may be cited as the "Tennessee River Resort District Act".

SECTION 2. Tennessee Code Annotated, Section 67-6-103(a)(3), is amended by adding the following language as a new subdivision:

(F)

(i) A county ranking in the first quartile of county economic distress in the United States for fiscal year 2006 as determined pursuant to subdivision (a)(3)(F)(v) and bordering on, or crossed by, the Tennessee River, may elect to be a "Tennessee River resort district" for purposes of this chapter. A municipality within such county and located within three (3) miles of the nearest bank of the Tennessee River, may also elect to be a "Tennessee River resort district" for purposes of this chapter. Notwithstanding any other provision of law to the contrary, as an alternative to and in lieu of the allocation prescribed in subdivision (a)(3)(A), a Tennessee River resort district shall receive four and fifty-nine hundred twenty-five ten-thousandths percent (4.5925%) of the tax actually collected and remitted by dealers within the boundaries of such district. Any distribution made to a Tennessee River resort district pursuant to such election shall be earmarked and paid from the general fund. If, however, any such payment is made to a Tennessee River resort district pursuant to the election, the amount which would have been received by such district had the district not exercised the election shall be earmarked and allocated to the general fund;

(ii) Subject to the provisions of subdivision (iv), a county, or municipality within a county, described in subdivision (a)(3)(F)(i) may elect Tennessee River resort district status by adopting a resolution or ordinance approved by a two-thirds (2/3) vote of the legislative body of the jurisdiction. Its approval or nonapproval shall be proclaimed by the presiding officer of the jurisdiction. Within thirty (30) days of adopting such resolution or ordinance, the presiding officer of the jurisdiction shall send a certified copy of the ordinance or resolution to the secretary of state and the commissioner of the department of revenue.

(iii) Notwithstanding any other provision of law to the contrary, of the revenue retained pursuant to an election under the provisions of subdivision

(a)(3)(F)(i), less the amount which would have been received by such district had the district not exercised the election, fifty percent (50%) shall be used exclusively for either the promotion and support of tourism in the jurisdiction or the promotion and support of tourism in conjunction with other jurisdictions so electing Tennessee River resort district status.

(iv) Tennessee River resort district status may be elected by both a county and a municipality within such county subject to the following provisions:

(a) If election occurs between January 1, 2006, and June 30, 2006, a municipality electing such status shall be entitled to the authorized percentage of tax actually collected and remitted by dealers within the boundaries of such municipality only. A county electing such status shall be entitled to the authorized percentage of tax actually collected and remitted by dealers within the boundaries of such county; provided, however, that the county shall only be entitled to receive such revenue outside the jurisdiction of any municipality electing Tennessee River resort district status located in such county.

(b) If election occurs on and after July 1, 2006, a county electing such status prior to a non-electing municipality shall be entitled to the authorized percentage of tax actually collected and remitted by dealers within the boundaries of such county and within the boundaries of non-electing municipalities. No such non-electing municipality shall later elect such status; provided, that a non-electing municipality may elect such status prior to election of such status by the county in such event tax collections would be distributed in accordance with the provisions of subdivision (iv)(a).

(v) Prior to July 1, 2005, the commissioner of economic and community development shall publish a map of those Tennessee counties that rank in the first quartile of county economic distress in the United States for fiscal year 2006 based on comparing the following indicators: three-year average unemployment, per-capita market income and poverty rate.

SECTION 3. Tennessee Code Annotated, Section 57-4-101(a), is amended by deleting the language "to be consumed on the premises of any:" and by substituting instead the language "to be consumed on the premises of, or within the boundaries of, any:".

SECTION 4. Tennessee Code Annotated, Section 57-4-101(a), is amended by adding the following language as a new, appropriately designated subdivision:

(\_) Tennessee River resort district as defined in § 57-4-102, subject to the further provisions of this chapter other than § 57-4-103;

SECTION 5. Tennessee Code Annotated, Section 57-4-102, is amended by adding the following language as a new, appropriately designated subdivision:

(\_) "Tennessee River resort district" means a club, hotel, motel or restaurant located within a jurisdiction which has elected Tennessee River resort district status pursuant to the provisions of § 67-6-103(a)(3)(F); provided, that for the purposes of this

chapter such district shall only extend inland for three (3) miles from the nearest bank of the Tennessee River. No entity licensed to sell alcoholic beverages within the boundaries of any such resort district shall discriminate against any patron on the basis of age, gender, race, religion or national origin. No entity licensed to sell alcoholic beverages within the boundaries of any such resort district shall discriminate against any patron on the basis of age, gender, race, religion, sexual orientation or national origin.

#### SECTION 6.

(a) The commissioner of revenue shall promulgate rules and regulations to effectuate the provisions of this act.

(b) The commissioner of economic and community development shall promulgate rules and regulations to effectuate the provisions of this act.

(c) The executive director of the alcoholic beverage commission shall promulgate rules and regulations to effectuate the provisions of this act.

(d) All such rules and regulation shall be promulgated in accordance with the provisions of the Uniform Administrative Procedures Act, compiled in title 4, chapter 5.

SECTION 7. For the purpose of promulgating rules and regulations, this act shall take effect upon becoming a law, the public welfare requiring it. For all other purposes, this act shall take effect January 1, 2006, the public welfare requiring it.

**PASSED: May 19, 2005**

  
JIMMY NAIFEH, SPEAKER  
HOUSE OF REPRESENTATIVES

  
JOHN S. WILDER  
SPEAKER OF THE SENATE

**APPROVED this 26<sup>th</sup> day of May 2005**

  
PHIL BREDESEN, GOVERNOR